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GENERAL INFORMATION

GRADING OF LOCAL AUTHORITY

GRADE 5

AUDITORS

AUDITOR-GENERAL

BANKERS

ABSA

REGISTERED OFFICE

CORNER OF DIRKIE UYS AND ROBYN STREET

P.O. BOX 13
CHRISTIANA
2680

TEL 053-441 2206/7/8
FAX 053 - 441 2206

TULKEN STREET

POSBUS 116
BLOEMHOF
2660

TEL. 053-433 1017/8
FAX NO : 4331442

MUNICIPAL MANAGER

T.D. MOTLASHUPING

CHIEF FINANCIAL OFFICER

R J OOSTHUIZEN

COUNCILLORS

J.I MPHOMELO

MAYOR

R.R HOTTIE

M.M. JASSON (ME.)

D.M. MORALADI

C.J. LONDT

J.D. VAN ZYL

A.T. HOTTIE (ME.)

T.D.P. MOTJETJE

R.M. SMOUS (ME.)

K.M. SEGALO

K.S. MAHUMAPELO

APPROVAL OF FINANCIAL STATEMENTS

THE ANNUAL FINANCIAL STATEMENTS SET OUT ON PAGE ...1.... TO ...33..... WERE APPROVED BY THE

MUNICIPAL MANAGER ON AND PRESENTED TO AND

APPROVED BY COUNCIL ON

.....
MUNICIPAL MANAGER
(ACCOUNTIVE OFFICER)

.....
Registered Municipal Accountant
Non-Official

FOREWORD

The purpose of the new format of the financial statements is :

- * To provide the users with more understandable information;
- * To comply to the General Acceptable Accounting practice (GAAP);
- * To be in pace with the change in the activities of the Local Government and to be more in line with the practice of the private sector.

The above-mentioned has resulted that the status of the Local Government is changing from a relative investment, and the establishment of a risk profile of the Local Government to be more important.

Various factors such as the new political endowment, the uncertainty around the shifting off of power and duties, negotiation forums and more participation, necessitate other view / opinion and decision processes, will have a fundamental influence on the existing structures. To assume that the coalition with other sources of income and fixed structures, will be fatal. Losses as a result of non payment after coalition is a matter for great concern.

We acknowledge that the fate of Lekwa-Teemane Municipality and its neighbours are inevitable linked together, and for long term stability and growth, all local governments in this region must have an equable financial structure. It is important to determine priorities in the effect to use our limited resources to the best advantage. The determination of on tariff structure, when is acceptable for all areas and groups, is a big challenge.

It is my pleasure to thank the Managing Committee and the Town Treasurer with his personnel for their co-operation and hard work.

CHAIRPERSON : MAYOR

CHIEF FINANCIAL OFFICERS REPORT

1. OPERATING RESULTS

DETAILS OF THE OPERATING RESULTS PER DEPARTMENT, CLASSIFICATION AND OBJECT OF EXPENDITURE ARE INCLUDED IN APPENDIXES D AND E. THE APPLICABLE STATISTICS ARE SHOWN IN APPENDIX F. THE OVERALL OPERATING RESULTS FOR THE YEAR ENDED 30 JUNE 2006 ARE AS FOLLOWS.

INCOME	ACTUAL 2004/2005	ACTUAL 2005/2006	VARIANCE 2005/2006 %	BUDGET 2005/2006	VARIANCE ACTUAL BUDGET %
OPENING SURPLUS	10135908	17301392	70.69		-100.00
OPERATING INCOME FOR THE YEAR	58846547	63326567	7.61	R 72,354,973	14.26
CLOSING SURPLUS	6268244	466943	-92.55		-100.00
	75250699	81094902	7.77	R 72,354,973	-10.78
EXPENDITURE					
OPENING SURPLUS FOR					
OPERATING EXPENDITURE FOR	57949307	62610585	8.04	R 72,340,764	15.54
THE YEAR					
SUNDRY TRANSFERS					
CLOSING SURPLUS	17301392	18484317	6.84	R 14,209	-99.92
	R 75,250,699	R 81,094,902	7.77	R 72,354,973	-10.78

1. THE INCREASE IN OPERATING INCOME BY 7.61% CONSISTS OF AN INCREASING IN ASSESSMENT RATES AND OTHER INCOME. THE INCREASE IN EXPENDITURE BY 8.04% INCLUDES A SUBSTANTIAL INCREASE IN THE PURCHASE OF RAW WATER, ELECTRICITY AND PRICE OF FUEL

RATES AND GENERAL	ACTUAL 2004/2005	ACTUAL 2005/2006	VARIANCE 2005/2006 %	BUDGET 2005/2006	VARIANCE ACTUAL BUDGET %
INCOME	R 33,410,990	R 36,084,237	8.00	R 39,224,711	8.70
EXPENDITURE	R 31,870,689	R 34,675,707	8.80	R 41,893,375	20.81
SURPLUS (DEFICIT)	R 1,540,301	R 1,408,530	-8.55	R -2,668,664	-289.46
SURPLUS (DEFICIT) AS % OF TO INCOME	4.61%		R -100.00		

2. INCREASE IN INCOME BY 8% CONSISTS OF TARIFFS INCREASES FOR ASSESTMENTS RATES AND ECONOMIC SERVICES. THE INCREASE IN EXPENDITURE DUE TO INCREASE IN FUEL PRICE,S

1.2 TRADING SERVICES

ELECTRICITY SERVICE	ACTUAL 2004/2005	ACTUAL 2005/2006	VARIANCE 2005/2006 %	BUDGET 2005/2006	VARIANCE ACTUAL BUDGET %
INCOME	R 15,604,142	R 16,060,415	R 2.92	R 18,992,762	18.26
EXPENDITURE	R 14,478,584	R 15,690,828	R 8.37	R 16,279,657	3.75
SURPLUS (DEFICIT)	R 1,125,558	R 369,587	R -67.16	R 2,713,105	634.09
SURPLUS (DEFICIT) AS % OF TOTAL INCOME	7.21%				

3. INCREASE OF INCOME OF 2.92% CONSISTS OF TARIFF INCREASES
INCREASE OF EXPENDITURE CONSISTS OF TARIFF INCREASES FROM ESKOM.

WATER SERVICE	ACTUAL 2004/2005	ACTUAL 2005/2006	VARIANCE 2005/2006 %	BUDGET 2005/2006	VARIANCE ACTUAL BUDGET %
INCOME	R 9,820,155	R 11,162,475	13.67	R 14,428,914	29.26
EXPENDITURE	R 11,600,034	R 12,244,049	5.55	R 14,137,500	15.46
SURPLUS (DEFICIT)	R -1,779,879	R -1,081,574	-39.23	R 291,414	-126.94
SURPLUS / DEFICIT AS % OF TOTAL INCOME	-18.12418%	-9.6894%			

4. INCREASE IN INCOME OF 713.67% CONSISTS OF MORE HOUSES BEING BUILT
INCREASE IN EXPENDITURE CONSISTS OF INCREASES IN THE TARIFF FOR PURCHASES
OF RAW WATER.

2. CAPITAL EXPENDITURE AND FINANCING
THE EXPENDITURE ON FIXED ASSETS DURING THE YEAR AMOUNTED

	ACTUAL 2005/2006	BUDGET 2005/2006	ACTUAL 2004/2005
LAND			
BUILDINGS			
INFRASTRUCTURE			
OTHER FIXED ASSETS	R 7,232,909	R 537,900	R 1,309,049
	R 7,232,909	R 537,900	R 1,309,049

RESOURCES USED TO FINANCE THE FIXED ASSETS

	ACTUAL 2005/2006	BUDGET 2005/2006	ACTUAL 2004/2005
CAPITAL DEVELOPMENT FUND			
GOVERNMENT LOANS			
CONTRIBUTION FROM	165974	537900	24088
OPERATING ACCOUNT			
RESERVES			
GRANTS AND SUBSIDIES	R 6,813,214		R 53,005
DISTRICT COUNCIL			
LOAN	R 253,721		R 1,015,956
	R 7,232,909	537,900	1,093,049

EXPENDITURE FOR THE YEAR TOTALING R7232909 ACTUAL EXPENDITURE FROM COUNCIL WAS R165974 AND GRANTS R6813214 FROM EXTERNAL LOANS R1015955 A COMPLETE ANALYSIS OF CAPITAL EXPENDITURE (BUDGETED AND ACTUAL / PER DEPARTMENT, CLASSIFICATION OR SERVICE IS INCLUDED IN APPENDIX C MORE DETAILS REGARDING EXTERNAL LOANS AND INTERNAL ADVANCES USED TO FINANCE FIXED ASSETS ARE SHOWN IN APPENDIX B.THE DIFFERENCE BETWEEN THE CURRENT AND PREVIOUS YEAR EXPENDITURE WAS GRANTS RECEIVED TO A AMOUNT OF R6813214AND LOANS OF R253721 FROM INCOME R165974

3. EXTERNAL LOANS, INVESTMENTS AND CASH

EXTERNAL LOANS OUTSTANDING ON 30 JUNE 2006 AMOUNTED TO R 12090288 (IN 2005/2006 AS SET OUT IN APPENDIX B.

INVESTMENT AT 30 JUNE 2006 AMOUNTED TO R8370198

MORE INFORMATION REGARDING LOANS AND INVESTMENTS ARE DISCLOSED IN THE NOTES (4 AND 7) AND APPENDIX B TO THE FINANCIAL STATEMENTS.

4. FUNDS AND RESERVES

MORE INFORMATION REGARDING FUNDS AND RESERVES ARE DISCLOSED IN THE NOTES (1 TO 3) AND APPENDIX A TO THE FINANCIAL STATEMENTS.

5. POST BALANCE SHEET EVENTS

NO EVENTS TOOK PLACE AFTER THE BALANCE SHEET WAS COMPLETED.

I AM GRATEFUL TO THE MAYOR,COUNCILLORS, THE MUNICIPAL MANAGER, DIRECTORS FOR THE SUPPORT THEY HAVE GIVEN ME AND TO THE STAFF OF MY OWN DIRECTORATE AND IN PARTICULAR TO THE LOCAL REPRESENTATIVES OF THE AUDITOR-GENERAL FOR THEIR ASSISTANCE AND SUPPORT DURING THE YEAR.

R J OOSTHUIZEN
CHIEF FINANCIAL OFFICER
LEKWA-TEEMANE LOCAL MUNICIPALITY
31 AUGUST 2006

ACCOUNTING POLICIES

BASIS OF PRESENTATION

- 1.1 THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED SO AS TO CONFORM TO THE STANDARDS LAID DOWN BY THE INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS IN ITS CODE OF ACCOUNTING PRACTICE (1997) AND REPORT ON PUBLISHED ANNUAL FINANCIAL STATEMENTS (2ND EDITION SEPTEMBER 1996)
- 1.2 THE FINANCIAL STATEMENTS ARE PREPARED ON THE HISTORICAL COST BASIS, ADJUSTED FOR FIXED ASSETS AS MORE FULLY DETAILED IN ACCOUNTING POLICY NOTE 3. THE ACCOUNTING POLICIES ARE CONSISTANT WITH THOSE APPLIED IN THE PREVIOUS YEAR.
- 1.3 THE FINANCIAL STATEMENTS ARE PREPARED ON THE ACCRUAL BASIS AS STATED.
 - (A) INCOME IS ACCRUED WHEN MEASURABLE AND AVAILABLE TO FINANCE OPERATIONS - DIRECT INCOME IS ACCRUED WHEN RECEIVED.
 - (B) EXPENDITURE IS ACCRUED IN THE YEAR IT IS INCURRED.

2. CONSOLIDATION

THE FINANCIAL STATEMENTS INCLUDE THE RATE AND GENERAL SERVICES, TRADING SERVICES AND THE DIFFERENT FUNDS AND RESERVES - INTER DEPARTMENTAL CHARGES ARE TREATED AS INCOME AND EXPENDITURE IN THE FOLLOWING DEPARTMENTS, REFUSE REMOVAL, SEWERAGE, ELECTRICITY, IRRIGATION AND WATER.

3. FIXED ASSETS

- 3.1 FIXED ASSETS ARE STATED AT HISTORICAL COST AND ASSETS WHICH HAVE BEEN ACQUIRED BY DONATIONS, AT VALUATION BASED ON THE MARKET PRICE AT DATE OF ACQUISITION.
 - (A) APPROPRIATIONS FROM INCOME FORMS AN IMMEDIATE CHARGE, AT FULL COST, AGAINST THE OPERATING INCOME, AND THEREFORE IT IS UNNECESSARY TO MAKE ANY FURTHER PROVISION FOR DEPRECIATION.
 - (B) DONATIONS - WHERE THE AMOUNT REPRESENTING THE VALUE OF SUCH DONATION IS IMMEDIATELY CREDITED TO THE "LOANS REDEEMED AND OTHER CAPITAL RECEIPTS" ACCOUNTS.
- 3.2 FIXED ASSETS ARE FINANCED FROM DIFFERENT SOURCES, INCLUDING EXTERNAL LOANS, OPERATING INCOME, ENDOWMENTS AND INTERNAL ADVANCES. THESE LOANS AND ADVANCES ARE REPAYED WITHIN THE ESTIMATED LIVES OF THE ASSETS ACQUIRED FROM LOANS OR ADVANCES. INTEREST IS CHARGED TO THE SERVICE CONCERNED AT THE RULING INTEREST RATE APPLICABLE AT THE TIME THAT THE ADVANCE IS MADE.
- 3.3 DEPRECIATION ON ALL DEPRECIABLE ASSETS WERE ON THE STRAIGHTLINE METHOD OF DEPRECIATION OVER THE ASSIGNED USEFUL OPERATING LIFE OF THE ASSET IN QUESTION

4. INVENTORY

INVENTORY IS VALUED AT THE LOWER OF COST, DETERMINED ON FIFO AND NOT REALISABLE VALUE.

5. FUNDS AND RESERVES

5.1 CAPITAL DEVELOPMENT FUND

THE CAPITAL DEVELOPMENT FUND, REQUIRES A MINIMUM CONTRIBUTION OF THE DEFINED INCOME OF A LOCAL AUTHORITY FOR THE IMMEDIATELY PRECEDING FINANCIAL YEAR AS DESCRIBED BY ORDINANCE 9 OF 1978

5.2 LAND TRUST FUND

THE GROUND TRUST FUND, RECEIVED CONTRIBUTIONS FOR THE SALE OF ERVEN, AND INTEREST ON ADVANCES FROM THE FUND.

6. RETIREMENT BENEFIT

THE LEKWA-TEEMANE MUNICIPALITY EMPLOYEES CONTRIBUTE TO THE FOLLOWING FUNDS. JOINT MUNICIPAL PENSION FUND, RETIREMENT FUND, SALA, S.N.P.F., IMATU RETIREMENT FUND AND THE MUNICIPAL GRATUITY FUND, COUNCILLORS CONTRIBUTE TO THE COUNCILLORS RETIREMENT FUND, WHICH PROVIDES RETIREMENT BENEFITS TO SUCH EMPLOYEES AND COUNCILLORS.

THE RETIREMENT BENEFIT PLANS IS SUBJECT TO THE PENSION FUNDS, ACT. 1956, CURRENT CONTRIBUTIONS ARE CHARGED AGAINST OPERATING INCOME ON THE BASIS OF CURRENT SERVICE COSTS. FULL ACTUAL VALUATIONS ARE PERFORMED AT LEAST EVERY THREE YEARS.

7. SURPLUS AND DEFICITS

ANY SURPLUSES OR DEFICITS ARISING FROM THE OPERATION OF ELECTRICITY OR WATER SERVICES ARE TRANSFERRED TO RATE AND GENERAL SERVICES.

8. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENCES

THE COST OF INTERNAL SUPPORT SERVICES ARE TRANSFERRED TO THE DIFFERENT SERVICES.

9. LEASED ASSETS

LEASES ARE TREATED AS OPERATING LEASES AND THE RELEVANT RENTALS ARE CHARGED THE OPERATING ACCOUNT IN A SYSTEMATIC MANNER RELATED TO THE PERIOD OF USE OF ASSETS CONCERNED.

10. INVESTMENTS

INVESTMENTS ARE SHOWN AT MARKET VALUE AND ARE INVESTED PER CIRCULAR NO. 26 OF 1991 ISSUED BY THE PROVINCIAL ADMINISTRATOR. COUNCIL POSSESS OF 1088 SANLAM SHARES TO THE VALUE OF R15558 AS AT 30 JUNE 2006

11. DEFERRED CHARGES

NO DEFERRED CHARGES.

12. INCOME RECOGNITION

12.1 WATER AND ELECTRICITY BILLINGS

METERS ON ALL PROPERTIES ARE READ AND BILLED MONTHLY

12.2 ASSESSMENT RATES

ASSESSMENT RATES ARE LEVIED ON THE LAND VALUE

13 GUARANTEE,S

A GUARANTEE ON A LOAN ACQUIRED FROM ABSA IN 2000 WAS ISSUED TO ABBSA.

THE GUARANTEE WAS IN THE FORM OF FIRST MORTGAGE OVER THE MUNICIPAL BUILDINGS ON ERF 1274. ABSA BANK (REGNO 198611004794106) OUTSTANDING LOAN ON THE MORTGAGE AMOUNTS TO R496925 ON 30 JUNE 2006

BALANCE SHEET AS AT 30 JUNE 2006

NOTE

2005/2006

2004/2005

CAPITAL EMPLOYED		R 299,888	R 16,179,673
STATUTORY FUNDS	1	R 299,888	R 15,151,540
RESERVES	2		R 1,028,133
(ACCUMULATED DEFICIT) IRETAINED SURPLUS	18	R 18,484,317	R 17,301,392
		R 18,784,205	R 33,481,065
TRUST FUNDS	3	R 2,907,601	R 150,000
RDP HOUSING			
LONG-TERM LIABILITIES	4	R 11,503,246	R 10,819,236
CONSUMER DEPOSIT SERVICES	5	R 776,947	R 715,696
		R 33,971,999	R 45,165,997
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	R 4,012,442	R 5,489,066
INVESTMENTS	7	R 8,370,200	R 2,323,137
LONG TERM DEBTORS	8		
DEFERRED CHARGES	11		
		R 12,382,642	R 7,812,203
NET CURRENT ASSETS / LIABILITIES		R 21,589,357	R 37,353,794
		R 51,816,686	R 61,944,228
INVENTORY	9	R 288,646	R 231,805
DEBTORS	10	R 51,522,894	R 61,707,277
CASH		R 5,146	R 5,146
SHORT-TERM INVESTMENTS	7		
BANK			
		R 30,227,329	R 24,590,434
CURRENT LIABILITIES			
PROVISIONS	12	R 493,286	R 520,302
CREDITORS	13	R 25,526,400	R 22,894,406
SHORT-TERM PORTION OF LONG-TERM	4		
LIABILITIES		R 587,044	R 495,328
BANK OVERDRAFT		R 3,620,599	R 680,398
		R 33,971,999	R 45,165,997

**MUNICIPAL MANAGER
(ACCOUNTING OFFICER)**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 ACTUAL INCOME	2004/2005 ACTUAL EXPENDITURE	2004/2005 DEFICIT SURPLUS		2005/2006 ACTUAL INCOME	2005/2006 ACTUAL EXPENDITURE	2005/2006 DEFICIT SURPLUS	2005/2006 BUDGET (DEFICIT) SURPLUS
RATES AND GENERAL SERVICES							
R 33,410,990	R 31,870,689	R 1,540,301		R 36,084,237	R 34,675,707	R 1,408,530	-R 2,668,666
R 25,087,668	R 20,903,669	R 4,183,999	Community Services	R 27,363,301	R 22,099,971	R 5,263,330	-R 201,877
R 898,653	R 2,066,772	-R 1,168,119	Subsidised Services	R 676,887	R 2,263,706	-R 1,586,819	R 460,919
R 7,424,669	R 8,900,248	-R 1,475,579	Economical Services	R 8,044,049	R 10,312,030	-R 2,267,981	-R 2,927,708
R 11,260		R 11,260	Housing Services	R 19,440		R 19,440	
R 25,424,297	R 26,078,618	-R 654,321	Trading Services	R 27,222,890	R 27,934,877	-R 711,987	R 2,682,871
R 58,846,547	R 57,949,307	R 897,240		R 63,326,567	R 62,610,584	R 715,983	R 14,205
		R 6,268,244	Appropriations for the year (note no. 18)			R 466,943	
		R 7,165,484	Net Surplus (deficit for the year)			R 1,182,925	
		Unappropriated surplus (Deficit)					
		R 10,135,908	at the beginning of the year			R 17,301,392	
		Unappropriated surplus (Deficit)					
		R 17,301,392	the end of the year			R 18,484,317	

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

	NOTE	2006	2005
CASH RETAINED FROM OPERATING ACTIVITIES			
CASH GENERATED BY OPERATIONS	19	R 11,367,005	R 10,973,693
INTEREST PAID	17		
INVESTMENT INCOME	17	R 4,390,442	R 12,801
(INCREASE) DECREASE IN WORKING CAPITAL	20	-R 8,780,313	-R 9,760,942
		R 6,977,134	R 1,225,552
CASH CONTRIBUTIONS FROM PUBLIC			
CASH CONTRIBUTIONS FROM GOVERNMENT			
CASH UTILISED IN INVESTMENT ACTIVITIES			
INVESTMENT IN FIXED ASSETS	App C	-R 7,232,909	-R 285,024
DECREASE IN LONG TERM DEBTORS			
NET CASH FLOW		-R 255,775	R 940,528
CASH EFFECTS OF FINANCING ACTIVITIES			
INCREASE IN LONG-TERM LOANS	21	R 955,324	-R 444,394
INCREASE IN CASH AND BANK	23	R 3,862,446	-R 331,826
INCREASE IN INVESTMENTS	22	-R 4,061,704	-R 164,308
NET CASH UTILISED		R 756,066	-R 940,528

AANTEKENINGE TOT DIE FINANSIELE STATE OP 30/6/2006
NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
1. STATUTERE FONDSE / STATUTORY FUNDS		
KAPITAAL ONTWIKKELINGSFONDS		
CAPITAL DEVELOPMENT FUNDS	R 0	R 11,421,247
GRONDTRUSTFONDS		
LANDTRUST FUND	R 0	R 2,732,967
GRONDONTWIKKELINGSFONDS		
LAND DEVELOPMENT FUND	R 0	R 309,346
BEHUISING ONTWIKKELINGSFONDS		
HOUSING DEVELOPMENT FUND	R 0	R 368,846
VERSEKERINGFONDS/ INSURANCE FUND	R 0	R 19,246
HOUSING OPERATING ACCOUNT	R 299,888	R 299,888
REFER TO APPENDIX A FOR MORE DETAILS	R 299,888	R 15,151,540
2. RESERWES		
RESERVES		
GEMEENSKAPFASILITEITE		
COMMUNITY FACILITIES		
DIVERSE / SUNDRIES	R 0	R 132,479
VERLIES AAN HUURGELD		
LOSS OF RENTAL		
VERKOOP VAN ERWE		
SALE OF ERVEN		
PAAIE SUBSIDIE		
ROAD SUBSIDY	R 0	R 33,346
HERSTEL EN ONDERHOUD		
REPAIR AND MAINTENANCE	R 0	R 848,343
DORPONTWIKKELING BYDRAE		
TOWNSHIP DEVELOPMENT CONTRIBUTION	R 0	R 13,965
REFER TO APPENDIX A FOR MORE DETAILS	R 0	R 1,028,133
3. TRUSTFUNDS		
R.D.P. HOUSING		
TRANSITIONAL FUNDS	R 0	R 150,000
FINANCE MANAGEMENT GRANT	R 784,640	
FIRE AND EMERGENCY	R 739,512	
MPS3	R 1,383,449	
	R 2,907,601	
(REFER TO APPENDIX A FOR MORE DETAIL)		
4. LONG TERM LIABILITIES		
LOANS FUND FOR LOCAL GOVERNMENT	R 10,772,373	R 9,608,985
ANNUITY LOANS	1,317,917	1,705,579
LESS : CURRENT PORTION TRANSFERRED	R 12,090,290	R 11,314,564
TO CURRENT LIABILITIES		
LOANS FUND FOR LOCAL GOVERNMENT	R 261,318	R 246,558
ANNUITY LOANS	R 325,726	R 248,770
(REFER TO APPENDIX B FOR MORE DETAIL)	R 11,503,246	R 10,819,236
LOANS FUND FOR LOCAL AUTHORITIES		
THE LOANS CARRY INTEREST AT RATES VARYING		
BETWEEN 9,5% AND 18,32% PER ANNUM AND ARE		
PAYABLE OVER PERIODS OF BETWEEN		
7 AND 25 YEARS		
ANNUITY LOANS CARRY INTEREST AT A RATES VARYING		
BETWEEN 0% AND 15% PER ANNUM AND ARE		
PAYABLE OVER PERIODS OF BETWEEN 3 AND 10 YEARS		
NONE OF THE LOANS ARE SECURED BY ANY		
ASSETS OF THE LEKWA-TEEMANE MUNICIPALITY		

NOTES TO THE FINANCAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
5. CONSUMER DEPOSITS		
ELECTRICITY AND WATER	R 776,946	R 715,696
OTHER GUARANTEES IN LIEU OF ELECTRICITY AND WATER	R 500	R 500
6. FIXED ASSETS		
FIXED ASSETS AT BEGINNING OF YEAR	R 31,582,337	R 30,409,460
CAPITAL OUTLAY DURING YEAR	R 7,232,909	R 1,309,049
LESS : ASSETS WRITTEN OFF DURING YEAR		R 136,172
TOTAL : FIXED ASSETS	R 38,815,246	R 31,582,337
LESS LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	R 34,802,804	R 26,093,271
NET FIXED ASSETS	R 4,012,422	R 5,489,066
LESS : DEFERRED CHARGES : NOTE		
REFER TO APPENDIX C FOR MORE DETAILS	R 4,012,422	R 5,489,066

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
7. INVESTMENTS		
UNLISTED		
LONG-TERM DEPOSITS	R 6,369,283	R 2,309,425
TRUST FUNDS	R 1,985,357	
OTHER DEPOSITS : SHARES	R 15,558	R 13,712
NET : INVESTMENTS		
LESS SHORT-TERM INVESTMENTS		
	R 8,370,198	R 2,323,137
PROFIT / (LOSS) ON INVESTMENT TRANSACTIONS		
AVERAGE RATE OF RETURN ON INVESTMENTS 13,4%		
NO INVESTMENTS HAVE BEEN WRITTEN OFF DURING THE YEAR		
ONE INVESTMENT HAVE BEEN PLEDGED AS SECURITY FOR FUNDING FACILITIES OF THE COUNCIL		
ABSA BANK (REGNO 198611004794106)		R 578,865
CIRCULAR NUMBER 26 OF 1991 ISSUED BY THE PROVINCIAL LEGISLATURE REQUIRES LOCAL AUTHORITIES TO INVEST FUNDS, WHICH ARE NOT IMMEDIATELY REQUIRED, WITH THE PRESCRIBED INSTITUTIONS AND THE PERIOD SHOULD BE SUCH THAT IT WILL NOT BE NECESSARY TO BORROW FUNDS AGAINST THE INVESTMENT AT PLENARY RATE TO MEET COMMITMENTS.		
8. LONG TERM DEBTORS		
9. INVENTORY		
INVENTORY REPRESENTS CONSUMABLE STORES, RAW MATERIALS, WORK-IN-PROGRESS AND FINISHED GOODS. WHERE NECESSARY SPECIFIC PROVISION IS MADE FOR OBSOLETE INVENTORY.		
	R 288,646	R 231,805
10. DEBTORS		
CURRENT DEBTORS (CONSUMER AND OTHERS)	R 81,897,043	R 71,104,746
SUNDRY DEBTORS	R 620,640	R 240,864
SUNDRY LOANS		
SUSPENCE ACCOUNTS	R 450,817	R 206,174
	R 82,968,500	R 71,551,784
LESS PROVISION FOR BAD DEBTS	R 31,445,606	R 9,844,507
	R 51,522,894	R 61,707,277

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

<p>DEBTORS HAVE BEEN WRITTEN OFF DURING 2005/2006 R170831 DAYS OUTSTANDING IN DEBTORS AMOUNT TO 550 DAYS PLUS</p> <p>11. DEFERRED CHARGES PRELIMINARY EXPENSES ASSETS WRITTEN OFF</p>		
<p>12. PROVISIONS AUDIT FEES REPAIRS AND MAINTENANCE LEAVE RESERVE CROCKERY TOWN HALL TRAINING</p>	<p>R 0 R 0 R 480,575 R 12,711 R 0 R 493,286</p>	<p> R 69,141 R 439,509 R 11,136 R 516 R 520,302</p>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
13. CREDITORS		
TRADE CREDITORS	R 816,589	R 912,031
CREDITORS VAT	R 37,592	R 291,423
SUNDRY CREDITORS	R 22,754,500	R 17,934,501
SUSPENCE ACCOUNT	R 1,025,283	R 1,349,855
MONEY IN ADVANCE	R 862,061	R 2,378,103
DEPOSIT OTHER	R 30,375	R 28,493
	<u>R 25,526,400</u>	<u>R 22,894,406</u>

14. ASSESMENT RATES

	VALIATIONS AS AT 2003/2006	ACTUAL INCOME
RESIDENTIAL	3312867	R 4,256,895
COMMERCIAL	277251	R 332,761
STATE	234038	R 303,890
MUNICIPAL	3824156	R 4,893,546

VALUATIONS ON LAND ARE PERFORMED EVERY FOUR YEARS. THE LAST GENERAL VALUATION CAME INTO EFFECT ON 1 JULY 2003 . THE BASIC RATE WAS PER RAND (.26cta@.13bhf - 2005/2006 ON LAND ONLY.

15. COUNCILLORS REMUNERATION

MAYOR'S ALLOWANCE	R 67,067	R 94,284
DEPUTY MAYORS ALLOWANCE		
COUNCILLORS ALLOWANCES	R 434,533	R 685,953
MANAGEMENT COMMITTEE ALLOWANCES		
COUNCILLORS PENSION CONTRIBUTIONS	R 31,185	R 40,793
COUNCILLOPS MEDICAL AID	R 7,675	
COUNCILLORS TRAVELLING ALLOWANCES	R 88,392	R 98,043
	<u>R 628,852</u>	<u>R 999,205</u>

COUNCILLORS OUTSTANDING SERVICES ACCOUNTS

K.L. MODISE (MAYOR)	R 27,755	<u>R 4,813</u> R R HOTTIE
M.M. JASSON	R 438	<u>R 8,072</u> A T HOTTIE
D.M. MORALADI	R 12,307	<u>R 12,597</u>
R.M. MAKODI	R 2,000	<u>R 2,776</u> R M SMOUS
K.M. SEGALO	R 18,174	<u>R 17,438</u> K S MAHUMAPELO
M.P. LETEBELE	R 4,385	
K.L. DUIKER	R 4,815	
K.J BOJONG	R 15,795	
W.B. PERCIVAL	R 333	
A. BUYS	R 20,123	
G. PENCIL	R 4,385	
	<u>R 110,510</u>	<u>R 45,696</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

16. AUDITORS REMUNERATION

AUDIT FEES	R 438,800	R 446,584
CURRENT YEAR		

**16B MUNICIPAL MANAGER AND HEAD OF DEPARTMENTS
REMUNERATION**

SALARY	2092000	1221792
TRANSPORT ALLOWANCE		327096
TELEPHONE ALLOWANCE		4910
CELPHONE ALLOWANCE		34598
PERSONAL ALLOWANCE	96052	3300
HOUSING SUBSIDY		123172
STANDBY ALLOWANCE		29818
PENSION: COUNCIL CONTRIBUTION		107348
MEDICAL AID ; COUNCIL CONTRIBUTION		50790
UIF COUNCIL; CONTRIBUTION		3876
BONUS		43856
	<u>R 2,188,052</u>	<u>R 1,950,556</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
17. FINANCE TRANSACTIONS		
TOTAL EXTERNAL INTEREST EARNED OR PAID		
INTEREST EARNED	R 4,390,442	R 125,801
INTEREST PAID		R 3,937
 CAPITAL CHARGES DEBITED TO OPERATING ACCOUNT		
INTEREST		
EXTERNAL	R 1,825,188	R 2,267,469
INTERNAL	R 81,843	R 76,529
 REDEMPTION		
EXTERNAL	R 363,408	R 231,460
INTERNAL	R 761,867	R 466,295
	R 3,032,306	R 3,041,753
 18. APPROPRIATIONS		
APPROPRIATION ACCOUNT ACCUMULATED SURPLUS AT THE BEGINNING OF THE YEAR	R 17,301,392	R 10,135,908
OPERATING (DEFICIT) SURPLUS FOR THE YEAR	R 715,983	R 897,240
APPROPRIATION FOR THE YEAR		
 CONTRIBUTION TO CAPITAL DEVELOPMENT FUND PRIOR YEAR ADJUSTMENTS ABNORMAL ITEMS	R 466,942	R 6,268,244
 ACCUMULATED (DEFICIT) / SURPLUS AT THE END OF THE YEAR	R 18,484,317	R 17,301,392
CONTRIBUTION TO APPROVED FUNDS		
OPERATING ACCOUNT		
CAPITAL EXPENDITURE	R 194,051	R 285,024
CONTRIBUTIONS TO		
BAD DEBTS PROVISION	R 6,307,756	R 6,610,772
MAINTENANCE RESERVE		
CONTRIBUTION TO LEAVE RESERVES	R 61,500	R 61,500
COMMUNITY FUNDS		
CAPITAL RESERVES		R 541,776
CAPITAL DEVELOPMENT FUND	R 588,466	
	R 7,151,773	R 7,499,072

NOTES TO THE FINANCIAL STATEMENTS AS AT 30/6/2006

	2005/2006	2004/2005
19. CASH GENERATED BY OPERATIONS		
(DEFICIT) / SURPLUS FOR THE YEAR	R 715,983	R 897,240
ADJUSTMENTS IN RESPECT OF :		
PREVIOUS YEARS OPERATING TRANSACTIONS	R 466,943	R 6,268,244
 APPROPRIATIONS CHARGED AGAINST INCOME	R 7,151,773	R 888,300
CONTRIBUTIONS TO :		
CAPITAL DEVELOPMENT FUND	R 588,466	R 541,776
PROVISION AND RESERVES	R 6,369,256	R 61,500
FIXED ASSETS	R 194,051	R 285,024
 CAPITAL CHARGES	R 3,032,306	R 3,041,773
INTEREST PAID :		
TO INTERNAL FUNDS	R 81,843	R 76,529
ON EXTERNAL FUNDS	R 1,825,188	R 2,267,489
REDEMPTION		
OF INTERNAL ADVANCES	R 761,867	R 466,295
OF EXTERNAL LOANS	R 363,408	R 231,460
 INTEREST ON INVESTMENTS (OPERATING ACCOUNT)		-R 125,801
INTEREST PAID BANK OVERDRAFT		R 3,937
EXPENDITURE CHARGED AGAINST PROVISIONS		
AND RESERVES		
INDIGENT DEBTORS WRITTEN OFF		
	<u>R 11,367,005</u>	<u>R 10,973,693</u>
 20. (INCREASE) / DECREASE IN WORKING CAPITAL		
(INCREASE) / DECREASE IN INVENTORY	-R 56,841	R 22,358
(INCREASE) / DECREASE IN DEBTORS	-R 11,416,716	-R 13,106,408
INCREASE / (DECREASE) IN CREDITORS,	R 2,631,994	R 3,358,765
INCREASE / (DECREASE) IN CONSUMER DEPOSITS	R 61,250	R 75,344
	<u>-R 8,780,313</u>	<u>-R 9,649,941</u>
 21. INCREASE / (DECREASE) IN LONG TERM LOANS	-R 955,324	-R 2,470,948
 INTEREST CAPITALISED PLUS NEW LOANS	R 1,417,109	R 1,479,664
LOANS REPAYED	R 461,785	R 1,035,270
	<u>-R 444,394</u>	
 22. (INCREASE) / DECREASE IN CASH INVESTMENTS		
INVESTMENTS MADE	-R 4,061,704	-R 164,308
INVESTMENTS REALISED	-R 4,061,704	<u>-R 164,308</u>

2005/2006 2004/2005

23. (INCREASE)/ DECREASE IN CASH

CASH BALANCE : BEGINNING OF YEAR	-R 675,253	-R 343,427
LESS : CASH BALANCE : END OF YEAR	-R 4,542,843	-R 675,253
	-R 3,867,590	

TRUST FUNDS

CASH BALANCE : BEGINNING OF YEAR	R 0	R 0
LESS : CASH BALANCE : END OF YEAR	R 922,244	

<u>-R 2,945,346</u>	<u>R 331,826</u>
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24. RETIREMENT BENEFITS

THE LAST ACTUAL VALUATION OF THE MUNICIPAL PENSION FUNDS AND THE COUNCILLORS PENSION WAS DONE AT 30 JUNE 1999.

25. CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

THERE WERE NON CONTINGENT LIABILITIES OR ANY GARANTEES AT A COMMERCIAL BANK FOR HOUSING LOANS FOR OFFICIALS

LEAVE PAY OUTSTANDING AS AT 30 JUNE 2006
AMOUNTS R1285519 PROVISION IS MADE FOR
AN AMOUNT OF R 5 125 PER MONTH

26. CAPITAL COMMITMENTS

COMMITMENTS IN RESPECT OF CAPITAL
EXPENDITURE

APPROVED AND CONTRACTED FOR

APPROVED BUT NOT YET CONTRACTED FOR

R 7,473,033

THIS EXPENDITURE WILL BE FINANCED FROM
INTERNAL SOURCES
EXTERNAL SOURCES
OTHER SOURCES
PROVINCIAL GOVERNMENT
METROPOLITAN COUNCIL

	R 7,473,033

27. CAPITAL DEVELOPMENT FUND

OUTSTANDING ADVANCES TO BORROWING SERVICES	
ACCUMULATED FUND	R 11,421,247
LESS : INTERNAL LOANS	<u>R 793,666</u>
SEE APPENDIXES A AND B FOR MORE DETAIL	<u>R 10,627,581</u>

28. LAND TRUST FUND

OUTSTANDING ADVANCES TO BORROWING SERVICES	
ACCUMULATED FUND	R 2,732,967
LESS: INTERNAL LOANS	<u>R 21,534</u>
SEE APPENDIXES A AND B FOR MORE DETAIL	<u>R 2,711,433</u>

29 HOUSING DEVELOPMENT FUND

OUTSTANDING ADVANCES TO BORROWING SERVICES	
ACCUMULATED FUND	368846
LESS INTERNAL LOANS	<u>273760</u>
SEE APPENDIXES A AND B FOR MORE DETAIL	<u>95086</u>

APPENDIX A : ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS

	BALANCE 2005/06/30	CONTRIBUTIONS DURING THE YEAR	INTEREST ON INVESTMENTS	OTHER INCOME	EXPENDITURE DURING THE YEAR	BALANCE 2006/06/30
STATUTORY FUNDS						
CAPITAL DEVELOPMENT FUND	R 11,421,247	R 588,466	R 107,822		R 12,117,535	R 0
LAND TRUST FUND	R 2,732,967		R 9,285	R 197,310	R 2,939,562	R 0
LAND DEVELOPMENT FUND	R 309,346				R 309,346	R 0
HOUSING DEVELOPMENT ACCOUNT	R 368,846				R 368,846	R 0
INSURANCE	R 19,246				R 19,246	R 0
HOUSING OPERATING ACCOUNT	R 299,888					R 299,888
	R 15,151,540	R 588,466	R 117,107	R 197,310	R 15,754,535	R 299,888
RESERVES						
COMMUNITY FACILITIES SUNDRIES	R 132,479				R 132,479	R 0
LOSS OF RENTAL SALE OF ERVEN						
ROADS SUBSIDY	R 33,346				R 33,346	R 0
REPAIR AND MAINTENANCE	R 848,343				R 848,343	R 0
TOWNSHIP DEVELOPMENT CONTRIBUTION	R 13,965				R 13,965	R 0
	R 1,028,133				R 1,028,133	R 0
TRUST FUNDS						
TRANSITIONAL FUND	R 150,000				R 150,000	R 0
FINANCE MANAGEMENT GRANTS		R 784,640				R 784,640
FIRE AND EMERGENCY		R 739,512				R 739,512
MSP 3		R 1,383,449				R 1,383,449
	R 150,000.00	R 2,907,601			R 150,000.00	R 2,907,601

APPENDIX B : EXTERNAL LOANS AND INTERNAL ADVANCES

				BALANCE AT 2005/06/30	RECEIVED DURING THE YEAR	REDEEMED OR WRITTEN OFF DURING THE YEAR	BALANCE AT 2006/06/30
LOANS DBSA							
ISSUED	%	LOAN NO	REDEEMABLE				
1979	15-72	11498	2004	R 269,741	R 32,658		R 302,399
1993	15-80	11503	2013	R 433,362	R 52,469		R 485,831
1991	16-31	11499	2011	R 72,902	R 8,827		R 81,729
1995	13-41	11505	2009	R 610,557	R 73,922		R 684,479
1995	17-47	11507	2010	R 513,035	R 62,115		R 575,150
1981	9-5	7	2004				
1995	17-22	9	2002				
1995	17-21	11506	2010	R 4,277,622	R 517,904		R 4,795,526
2000	15	ANNUITY ABSA	2010	R 578,865		R 81,940	R 496,925
1995	18-32	15	2002				
1978	8.75	11315	2007				
1978	8.75	11315	2007				
1985	13.75	11316	2014	R 1,691,089	R 204,745		R 1,895,834
1986	13.75	11317	2015	R 853,159	R 103,294		R 956,453
1986	17.25	11318	2015	R 887,515	R 107,454		R 994,969
1995	0	ANNUITY ABSA	2005	R 155,124		R 155,124	R 0
2004	12.862	64991251	2008				
2005	12.352	66623225	2009	R 174,237		R 40,310	R 133,927
2004	12.365	65684212	2008	R 211,830		R 53,423	R 158,407
2005	12.356	66874910	2008	R 379,345		R 85,354	R 293,991
		WESBANK					
2003	17	TY025948T	2006	R 26,581		R 26,581	R 0
LOANS DBSA							
2005	11.78	69293269	2010		R 126,861	R 9,611	R 117,250
2005	17.22	69179571	2010		R 126,860	R 9,442	R 117,418
	7	11314					
REFER TO NOTE 4				R 11,134,964	R 1,417,109	R 461,785	R 12,090,288
INTERNAL ADVANCES							
LAND TRUST FUND				R 21,534		R 21,534	R 0
RESERVES AND SUNDRIES							
HOUSING DEVELOPMENT FUND				R 273,760		R 273,760	R 0
CAPITAL DEVELOPMENT FUND				R 793,666		R 793,666	R 0
				R 1,088,960		R 1,088,960	R 0

APPENDIX C : ANALYSIS OF FIXED ASSETS

EXPENDITURE 2004/2005	SERVICE	BUDGET 2005	BALANSCE AT 2005/06/30	EXPENDITURE DURING THE YEAR	WRITTEN OFF TREASURERD REDEEMED OR DISPOSED OF DURING THE YEAR	BALANCE 2006/06/30
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	RATES AND GENERAL SERVICE	R	427,100	R	21,155,548	R	7,232,909	R	28,388,457	
	COMMUNITY SERVICE	R	338,100	R	8,004,735	R	388,767	R	8,393,502	
R	604,319.00			R	572,178	R	253,722		R	825,900
	COUNCIL GENERAL EXPENCES	R	22,500	R	270,545				R	270,545
	HEALTH SERVICES			R	23,774				R	23,774
	WORKSHOP			R	151				R	151
	CIVEL DEFENCE			R	88,228				R	88,228
R	589,648	R	241,600	R	5,969,868				R	5,969,868
	CARAVAN PARK			R	38,452				R	38,452
	PUBLIC WORKS	R	4,000	R	60,902	R	56,103		R	117,005
R	3,872	R	28,000	R	602,308	R	58,140		R	660,448
R	25,054	R	17,000	R	29,227	R	15,836		R	45,063
	STORES			R	22,719				R	22,719
	TOWN SECRETARY	R	25,000	R	326,383	R	4,966		R	331,349
R	3,265.00									
	TRAFFIC AND LICENCES									
	SUBDISIDED SERVICE	R	89,000	R	7,655,984	R	6,844,142	R	14,500,126	
R	29,886	R	59,000	R	2,803,786	R	74,547		R	2,878,333
	CIVIC BUILDING			R	46,974	R	6,690,886		R	6,737,860
R	53,005			R	172,349	R	54,705		R	227,054
	FIRE PROTECTION			R	3,349,438				R	3,349,438
	LIBRARY			R	1,217				R	1,217
	BOITUMELONG			R	68,712				R	68,712
	AMBULANCE			R	130,290				R	130,290
	SALAMAT			R	410,715				R	410,715
	SWIMMING POOL	R	30,000	R	169,620	R	24,004		R	193,624
	COVERDALE			R	502,883				R	502,883
	PARKS AND RECREATION									
	ESTATES									
	ECONOMIC SERVICES	R	-	R	5,494,829			R	5,494,829	
	FARMING			R	5,507			R	5,507	
	CLEANCING			R	442,023			R	442,023	
	IRRIGATION			R	88,197			R	88,197	
	SEWERAGE			R	4,616,800			R	4,616,800	
	GELUKSOORD			R	342,302			R	342,302	

APPENDIX C : ANALYSIS OF FIXED ASSETS

			BUGET 2006	BALANCE AT 2005/06/30	EXPENDITURE DURING THE YEAR	WRITTEN OFF TREASURED REDEEMED OR DISPOED OF DURING THE YEAR	BALANCE AT 2006/06/30
	HOUSING SEVIVE	R	-	R 1,519,452			R 1,519,452
	ECONOMIC HOUSING			R 1,519,452			R 1,519,452

	TRADING SERVICES	R	133,300	R 8,907,337			R 8,907,337
	ELECTRICITY	R	112,800	R 5,995,926			R 5,995,926
	WATER	R	20,500	R 2,911,411			R 2,911,411
		R	560,400	R 31,582,337	R 7,232,909		R 38,815,246

	LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS	R	26,093,271	R 11,851,323	R 3,141,790.00	R 34,802,804
	LOANS REDEEMED AND ADVANCES REPAID	R	10,677,892	R 1,730,345	R 3,141,790	R 9,266,447
	OPRATING INCOME	R	1,691,491	R 165,974		R 1,857,465
	CONTRIBUTIONS FROM OPRATING INCOME	R	100,131			R 100,131
	RESERVES ,GRANTS & SUBSIDIES	R	1,574,205	R 6,813,214		R 8,387,419
	PUBLIC CONTIBUTION	R	2,000			R 2,000
	GENERAL CAPITAL	R	12,047,552	R 3,141,790		R 15,189,342
	NET: FIXED ASSETS	R	5,489,066	R -4,618,414	R 3,141,790	R 4,012,442

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE
YEAR ENDED 30 JUNE 2006

	ACTUAL 2005/2006	BUDGET 2205/2006	ACTUAL 2004/2005	BUDGET 2004/2005
INCOME				
GRANTS AND SUBSIDIES	7371330 R	9,221,000	5605810 R	5,786,000
CENTRAL GOVERNMENT	7371330 R	7,371,000	5605810 R	5,606,000
PROVINCIAL GOVERNMENT		1,850,000		180,000
DISTRICT COUNCIL				
OPERATING INCOME	55955237 R	63,133,972	53240737 R	63,653,239
ASSESTMENT RATES	4893546 R	4,799,580	4190680 R	3,906,569
SALE OF ELECTRICITY	15842500 R	18,717,762	15352200 R	18,640,622
SALE OF WATER	11148907 R	14,133,000	9810635 R	14,336,437
OTHER SERVICE CHARGES	24070284 R	25,483,630	23887222 R	26,769,611
TOTAL INCOME	63326567 R	72,354,972	58846547 R	69,439,239
EXPENDITURE				
SALARIES, WAGES AND ALLOWANCES	22866576 R	27,637,301	21179753 R	27,109,962
GENERAL EXPENSES	32928188 R	37,658,684	29049791 R	35,032,375
PURCHASE OF ELECTRICITY	9245989 R	8,695,126	9078568 R	9,357,320
PURCHASE OF WATER	3880068 R	5,305,569	5258514 R	5,347,855
OTHER GENERAL EXPENSES	19802131 R	23,657,989	14712709 R	20,327,200
REPAIRS AND MAINTENANCE	2657012 R	3,170,585	1535296 R	3,034,820
CAPITAL CHARGES	3032305 R	4,468,018	2536574 R	11,737,893
CONTRIBUTION TO FIXED ASSETS	194050 R	537,900	285024 R	
CONTRIBUTION	6957721 R	6,938,796	7214048 R	6,672,212
GROSS EXPENDITURE	68635852 R	73,472,527	61800486 R	83,587,262
LESS : AMOUNTS CHARGED OUT	6025268 R	7,321,936	3851178 R	6,519,952
TRANSFR TO/FROM NDR,S			R	77,067,310
NET. EXPENDITURE	62610584 R	66,150,591	57928308 R	69,392,884

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

ACTUAL INCOME	ACTUAL EXPENDITURE	(DEFICIT) SURPLUS		ACTUAL INCOME	ACTUAL EXPENDITURE	(DEFICIT) SURPLUS	BUDGET (DEFICIT) SURPLUS
2004/2005	2004/2005	2004/2005		2005/2006	2005/2006	2005/2006	2005/2006
R 33,410,990	R 31,870,689	R 1,540,301	RATES AND GENERAL SERVICE	36,084,237	34,675,707	1,408,530	R -2,668,666
R 25,087,668	R 20,903,669	R 4,183,999	COMMUNITY SERVICE	R 27,363,301	R 22,099,971	R 5,263,330	R -201,877
R 4,190,680		R 4,190,680	ASSESSMENT RATES	R 4,893,546		R 4,893,546	
R 73,442	R 250,532	R -177,090	TOWN SECRETARY	R 210		R 210	R 800
R 5,608,110	R 9,146,145	R -3,538,035	CEMETARY	R 81,834	R 226,337	R -144,503	R -229,729
			COUNCILS GEN. EXPENCES	R 7,572,981	R 10,464,277	R -2,891,296	R 3,349,963
			IDP/PMS/LED		R 415,249	R -415,249	R -1,177,200
R 883,207	R 1,642,782	R -759,575	HEALTH SERVICE	R 902,908	R 1,493,870	R -590,962	R -916,803
R 6,081	R 7,934,826	R -7,928,745	PUBLIC SERVICE	R 107,703	R 7,572,356	R -7,464,653	R -10,670,365
	R 27,997	R -27,997	STORES				R -1
R 577	R 31,962	R -31,385	TOP MANAGEMENT				
R 10,317,756	R 290,249	R 10,027,507	TOWN TREUSURER	R 11,330,807	R 5,125	R 11,325,682	R 6,514,899
R 4,007,815	R 1,576,926	R 2,430,889	TRAFFIC AND LICENCES	R 2,473,312	R 1,922,757	R 550,555	R 2,926,559
	R 2,250	R -2,250	WORKSHOP				
898653	2066772	-1168119	SUBSIDISED SERVICES	676,887	2,263,706	(1,586,819)	460,919
R 130,564	R 1,018,283	R -887,719	CIVIL BUILDINGS	R 149,310	R 1,037,819	R -888,509	R -1,032,435
	R 196,746	R -196,746	FIRE PROTECETION		R 307,296	R -307,296	R -118,570
R 2,252	R 279,021	R -276,769	LIBRARY	R 2,434	R 263,221	R -260,787	R -472,733
R 6,504	R 11,445	R -4,941	PLEASURE RESORT	R 6,504	R 12,349	R -5,845	R -4,445
R 424	R 418,540	R -418,116	PARKS AND RECREATION	R 424	R 600,488	R -600,064	R -765,021
			SWIMMING POOL		R 30,741	R -30,741	
R 758,909	R 142,737	R 616,172	ESTATES	R 518,215	R 11,792	R 506,423	R 2,854,123
R 7,424,669	R 8,900,248	R -1,475,579	ECONOMIC SERVICES	R 8,044,049	10,312,030	(2,267,981)	(2,927,708)
R 2,570,029	R 3,264,180	R -694,151					
			CLEANSING	R 2,814,756	R 3,817,965	R -1,003,209	R -1,212,961
R 460,977	R 306,788	R 154,189	IRRIGATION	R 487,923	R 326,962	R 160,961	R 110,120
R 4,393,663	R 5,329,280	R -935,617	SEWERAGE	R 4,741,370	R 6,167,103	R -1,425,733	R -1,824,867

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

ACTUAL INCOME	ACTUAL EXPENDITURE	(DEFICIT) SURPLUS		ACTUAL INCOME	ACTUAL EXPENDITURE	(DEFICIT) SURPLUS	BUDGET (DEFICIT) SURPLUS
2004/2005	2004/2005	2004/2005		2005/2006	2005/2006	2005/2006	2005/2006
R 11,260		R 11,260	HOUSING SERVICE	R 19,440		R 19,440	
R 11,260		R 11,260	ECONOMIC HOUSING	R 19,440		R 19,440	
			TRADING SERVICE	R 27,222,890	R 27,934,877	R -711,987	R 2,682,871
25424297	26078618	-654321					
R 15,604,142	R 14,478,584	R 1,125,558	ELECTRICITY	R 16,060,415	R 15,690,828	R 369,587	R 2,739,535
			WATER D.C.				
R 9,820,155	R 11,600,034	R -1,779,879	WATER	R 11,162,475	R 12,244,049	R -1,081,574	R -56,664

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

R 58,846,547	R 57,949,307	R 897,240	TOTAL	R 63,326,567	R 62,610,584	R 715,983	R 14,205
		R 6,268,244	APPROPRIATIONS FOR THE YEAR (REFER TO NOTE 18)			R 466,942	
		R 7,165,484	NET SURPLUS (DEFICIT) FOR THE YEAR			R 1,182,925	
		R 10,135,908	(DEFICIT) BEGINNING OF THE YEAR			R 17,301,392	
		<u>R 17,301,392</u>	ACCUMULATED SURPLUS (DEFICIT) END OF THE YEAR			<u>R 18,484,317</u>	

APPENDIX F

STATISTICAL INFORMATION

The statistics provided are intended as a guideline, and may change substantially.

The following minimum information (for at least a three year period), must be disclosed in appendix F

1 POPULATION:	BLOEMHOF	31000
	CHRISTIANA	26000
2 NO OF DEBTORS	BLOEMHOF	6730
	CHRISTIANA	4619
3 NO OF EMPLOYEES		
	BLOEMHOF	146
	CHRISTIANA	112
ASSESSMENT RATES		
RATES	BLOEMHOF	0.17
	CHRISTIANA	0.27
	GELUKSOORD	0.25
	UTLAWANANG/BOITUMELONG	0.15
	COVERDALE/SALAMAT	0.16

APPENDIX F

STATISTICAL INFORMATION

(A) ELECTRICITY STATISTICS

		2005/2006	2004/2005	2003/2004	2002/2003
(i)	NUMBER OF USERS (RESIDENTIAL AND COMMERCIAL) :				
(ii)	UNITS BOUGHT / GENERATED :	49621011	47,260,049	48135527	46775156
(iii)	UNITS SOLD :	42439134	42,654,516	43244793	42199149

(iv)	UNITS LOST IN DISTRIBUTION :	7181877	4,605,533	4890734	4576007
	APPENDIX F				
	STATISTICAL INFORMATION				
(v)	UNITS LOST IN DISTRIBUTION, AS A % OF (ii)	14.47	9,74	10,16	9.78
(vi)	COST PER UNIT BOUGHT / GENERATED : cent	0.33798	0.291	0.278	0.225
(vii)	LOSS IN DISTRIBUTION (IV X VI) :R	2427330	R 1,340,210.00	1359624	1168118
(viii)	COST PER UNIT SOLD (OPERATING EXPENDITURE ÷ iii) cent	0.36972	0.269	0.310	0.0283
(ix)	INCOME PER UNIT SOLD (OPERATING INCOME ÷ iii) :	0.32366	0.365	0.348	0.311

(B) WATER STATISTICS

(i)	NUMBER OF USERS (RESIDENTIAL AND COMMERCIAL) :				
(ii)	UNITS PURIFIED :	3262714	3,170,033	3366767	3140931
(iii)	UNITS SOLD :	3036024	2,810,864	3070090	2652749
(iv)	UNITS LOST IN DISTRIBUTION (ii - iii) :	226690	359,169	296677	488182
(v)	UNITS LOST IN DISTRIBUTION, AS A % OF (ii)	6.95	11.33	8,81	15.54
(vi)	COST PER UNIT BOUGHT / PURIFIED : R	1.58	2.66	2.54	2.53
(vii)	LOSS IN DISTRIBUTION (IV X VI) : R	35817	R 955,389.00	753559	1235306
(viii)	COST PER UNIT SOLD (OPERATING EXPENDITURE ÷ iii)R	3.67	4.12	R 2.79	3
(ix)	INCOME PER UNIT SOLD (OPERATING INCOME ÷ iii) : R	3.42	3.49	R 3.27	3.68

(C) SUNDRY STATISTICS

1	TOTAL NUMBER OF INDIGENTS	4682
2	TOTAL NUMBER OF RDP HOUSES BUILT	0
3	TOTAL NUMBER OF AVAILABLE STANDS	264